



Shire of Wickepin

Annual Report

2022-2023

08 9888 1005

77 Wogolin Road, Wickepin WA 6370

www.wickepin.wa.gov.au

Acknowledgement of country and diversity

The Shire of Wickepin acknowledges the traditional custodians of the district and their continuing connection to the land, waters and community.

Respect is paid to all members of the Aboriginal communities, and their cultures, and to Elders both past and present.

The Shire of Wickepin also acknowledges the diversity of our residents and strives to present all communications to be inclusive and available to everyone.

If you need this document in another format, please call (08) 9888 1005.



Information about this Annual Report

Council is required under Section 5.53 of the Local Government Act 1995 (as amended) to prepare an annual report containing information on the following:

- Report from the President;
- Report from the CEO;
- An overview of the Plan for the Future of the district including major initiatives that are proposed to commence or to continue in the next financial year;
- The Financial Report for the financial year;
- Such information as may be prescribed in relation to the payments made to employees;
- A matter on which a report must be made under section 29(2) of the Disability Services Act 1993
- Details of entries made under Section 5.121 of the Local Government Act during the financial year in the register of complaints (concerning complaints to the Local Government Standards Panel), including:
 - the number of complaints recorded in the register of complaints;
 - how the recorded complaints were dealt with; and
 - any other details that the regulations may require.
- The Auditors Report for the financial year; and
- Such other information as may be prescribed

Council will strive to provide reports that are characterised by openness and willingness to provide comprehensive information.

About the Shire of Wickepin

The Shire of Wickepin is a statutory organisation responsible to the Minister for Local Government.

It operates under the provisions of the *Local Government Act 1995* (as amended) and Regulations.

The Shire of Wickepin covers an area of 1,989 square kilometres and comprises the town sites and localities of Wickepin, Yealering, Harrismith, Tincurrin and Toolibin.

The area contains rich agricultural lands which were opened for settlement in 1893.

The locality began as a watering point known as Yarlring and was used by early sandalwood cutters.

The district is a prosperous farming area with excellent wool and lamb production.

Cropping is performed on a large scale with wheat, oats, barley, lupins, and canola grown.

The district is also home to the Facey Group, a prominent grower group in Western Australia which is committed to improving the economic, social and environmental sustainability of broad acre farming through research, development and information in the region.

Wickepin is known for being the home of Albert Facey, an Australian Biographer, with his house moved to the centre of the town as a tourist attraction.

The area is supported by two (2) primary schools (Yealering and Wickepin), a medical centre, police station, church, community resource centre, bushfire brigades, ambulance services, sporting and community groups.

At 30 June 2023

Distance from Perth (km)	210
Area (sq. km)	1,989
Length sealed roads (km)	157
Length unsealed roads (km)	717
Population	690 (2021 Census)
Councillors	7
Electors	520
Dwellings	421
Employees	28
Rates levied (2021–2022)	\$1,596,361

Council Members



J Russell
Shire President
Retiring 2023



W Astbury
Deputy Shire President
Retiring 2025



F Allan
Councillor
Retiring 2023



J Mearns
Councillor
Retiring 2023



L Corke
Councillor
Retiring 2025



P Thompson
Councillor
Retiring 2025



T Miller
Councillor
Retiring 2025



Report from the Shire President

It gives me great pleasure to present my President's report on the Shire of Wickepin activities for the 2022-2023 financial year.

The Shire continues to make a significant investment in maintaining and improving community assets throughout the district.

State and Federal grant funds, and the Shire's own rate income, has allowed the Shire of Wickepin to invest in the infrastructure required for a sustainable community.

The Shire of Wickepin had a rate increase of 5% for 2022-2023, however this percentage was variable across some properties due to an increase in valuation of the individual properties by the Valuer General. Although the tendency of the Shire to increase rates is a common point of discussion between ratepayers and councillors. In 2022-23 rates accounted for approximately 24% of the Shire's revenue. Rates levied within the Shire allows Council to keep pace with the general Consumer Price Index expenses, whilst also allowing for necessary improvements and additions, along with sustaining a high level of services and infrastructure for our communities.

2022-2023 Major Achievements

1. Four (4) new aged housing units in progress – to be completed and occupied in 2023/2024
2. Completed the Harrismith Ablution block
3. Commenced works on Wickepin Skate Park
4. Upgrades (walkways) at Wickepin Saleyards

Roads, Plant and Infrastructure

The Shire has continued its significant contribution to the ongoing maintenance and upgrade of the road network during the 2022-2023 financial year and undertook a comprehensive road program during this year.

Council undertook the following works –

Road Name	Works
• Wickepin Pingelly Road	Culvert replacement, re-seal road 1.2 km
• Rabbit Proof Fence Road	Full construction 5.0 km
• Stock Route Road	Road Widening 3.0 km
• Yarling Brook Road	Gravel re-sheeting 5.0 km
• Yarling Brook Bridge	Remove old bridge and replace with culverts
• Yealering Pingelly Road	Culvert upgrade
• Malyalling Road	Gravel re-sheeting 3.0 km
• Gillimanning Road	Cut and fill

Council is very conscious of the need to maintain the Shire’s road network to a high standard.

The Manager of Works and Services Graeme Hedditch, along with the outside works staff team, are to be commended for their continued good work and full programme achievements once again this year.

Council strives to achieve the best outcomes for all of our communities and continues to endeavour to secure additional services, as well as ensuring the road network and infrastructure programs benefit all of the communities in the Shire of Wickepin.

Chief Executive Officer Changes

In July 2022, after more than ten years of service to the Shire of Wickepin, Mark Hook retired. Mark guided the Shire with professionalism and integrity during his tenure and his contributions were well recognised by the Council in the lead up to his departure.

The recruitment process for a new Chief Executive Officer can be lengthy and there is nearly always a period of several months between the departure of an incumbent and the commencement of the new person. For this reason it is common for a council to appoint an Acting Chief Executive Officer to assist the council and staff to maintain operations and reduce the burden on other staff. The council was fortunate to be able to appoint Noel Mason to the acting position for a period of 5 months from July to November. Noel brought with him a wealth of experience and worked diligently with the council and staff during his time with us.

After a thorough recruitment process the Council in December 2022 appointed Nathan Cain to the position of Chief Executive Officer. Nathan came to us with extensive experience in senior management levels in State and Local Government and although it was his first CEO appointment the Council was confident he had the skills and experiences to deliver enhanced services and projects to the community. Although the time period rests outside the dates of the 2022/23 annual report it is noted that Nathan subsequently left the employ of the Shire in October 2023.

Appreciation

The effective operation of the Shire only occurs through a considerable amount of dedication, hard work and resolve by Councillors, management and staff. I would like to thank Deputy Shire President Cr Wes Astbury for his support , my fellow Councillors for all their work during 2022/23 and to express my appreciation to the Shire staff whose efforts throughout the year are greatly appreciated.

Cr Julie Russell - Shire President JP



Report from the Chief Executive Officer

Note this report is limited to reporting during the period from 1 July 2022 to 30 June 2023.

There were a number of events, issues and projects that occurred during 2022/23 and these are commented on below:

Independent Living Units

Construction of the four independent living units on Johnston Street, Wickepin continued in 2022/23 although it is fair to say that Council and members of our community were frustrated at the slow rate of progress. There were many reasons for the delays, some obvious and others not. However the impacts of COVID-19 on building construction and associated supply chains have been acknowledged world-wide and Wickepin wasn't alone in experiencing frustrations with the "stop-start" nature of construction activity throughout 2022/23.

Significant increases in materials and labour costs were felt across the building sector and this caused the Council to fund an approximate 22% cost increase (approximately \$300,000) to ensure that the project proceeded. The cost over runs were funded by drawing money from reserve accounts.

Whilst council pushed throughout 2022/23 for a completion date unfortunately that wasn't achieved by 30 June 2023. Council has subsequently taken control of the site from the builder and is project managing the completion of works using various tradespersons. A target date for completion of first quarter 2024 now exists. Once works are completed and the independent living units officially opened, tenanting of the four units will occur.

Wickepin Skate Park

In December 2022 Council engaged 'Skate Sculpture' to design and construct the new skate park on Wogolin Road, Wickepin at the cost of almost \$400,000.

Construction commenced in 2023 and completion by early 2024 is planned.

Review of Councillor Representation

As a result of changes to local government legislation the Shire of Wickepin was directed by the Minister for Local Government that it would have to reduce councillor numbers by one (from eight councillors to seven councillors) for implementation at the October 2023 local government elections. This was due to local government legislative reforms stipulating that local governments with a population of less than 5,000 only being permitted a maximum of seven councillors.

A discussion paper was released to the community in October 2022. During the advertising period, one written public comment was received. The primary focus of the submission was that the number of Councillors should not be less than 7, as this would make for more difficult access to Councillors across the Shire and its 3-4 main population centres. As the discussion paper didn't propose a reduction below seven councillors it was determined that the submission was supportive of the proposal. Accordingly Council, at its December 2022 meeting, resolved to reduce councillor numbers to seven with the change to be effective at the October 2023 ordinary local government elections. The Local Government Advisory Board subsequently issued an order to this effect.

The impacts of this decision were considered minor noting that at the time Council was operating effectively with one councillor position vacant. Even before the need presented for Council to reduce the number of councillors by one the Western Australian Electoral Commissioner had already approved not filling the vacancy until the October 2023 ordinary elections.

Community Engagement to Identify Council's Future Strategic Directions

In March and April 2023 community engagement was conducted by the Shire in the form of a community survey and three community workshops. This engagement had a two-fold purpose:

- Gauge the perception from the community regarding the current governance and leadership of the district and the performance and importance of services offered, and
- Provide input into the Strategic Community Plan Major Review.

A total of 151 persons were recorded as participating in this engagement noting that some duplication of numbers will have occurred with some people completing a survey and attending at least one workshop. Nevertheless, a participation figure of 151 persons out of a Shire population of 690 is considered to be an excellent response rate.

A summary of the main findings of the community engagement is being prepared and will be released in early 2024.

Community Grants

Each year the Shire of Wickepin provides funds to community and sporting groups with the objective of the funding being to:

- Establish or improve playing areas or buildings necessary for the conduct of sport or for community use,
- Support for major sporting and community events,
- Support for sporting or coaching clinics,
- Assist community groups in establishing a service, or
- Activity seen as a need for the betterment of, and improvement to, the enjoyment of life within the community.

Groups supported in 2022/23 included:

- Wickepin Districts Sports Club
- Harrismith Golf Club
- Wickepin History Book Committee
- Wickepin Football Club

Other Notable Items

- An Australia Day event was held were held in Wickepin. Winners of the 2023 Australia Day Awards' were:
 - o Citizen of the Year – Jean Chalmers
 - o Senior Citizen of the Year – Maureen Preedy
 - o Facey Group Progressive Agricultural Award – Clint Hemley and Skye Moxham
- There was a significant amount of legislation impacting the local government sector progressed in 2022/23 by the State Government, including the review of the Local Government Act. Council monitored these reviews and contributed feedback at times and also liaised with the Western Australian Local Government Association on the whole of sector position on these matters.
- The Shire's Chief Bush Fire Control Officer, Trevor Leeson led an exceptional and dedicated of bush fire brigade volunteers in protecting our community. I take this opportunity to thank all volunteers that contribute to the well-being of our fantastic community – from emergency service volunteers to those that assist community and sporting groups – so many in our community freely provide their time to assist others.

Appreciation

I thank all staff for their efforts during 2022/23. The whole of the Shire staff is responsible for a diverse range of duties and handle them most effectively and efficiently. With a number of vacancies occurring during the year staff often had to step up and take on additional duties to ensure continuity of service to the community.

Finally, in conclusion I would also like to express appreciation for the efforts of all the councillors in 2022/23 for their work on behalf of the community.

Tim Clynych - Acting Chief Executive Officer

Strategic Community Plan Annual Reporting

The Shire's Strategic Community Plan 2018-2028 outlines the community's priorities and visions for the future of the Shire of Wickepin, and sets out the key short-term and medium-term strategies required to implement and achieve these aspirations.

The Strategic Community Plan helps shape the services the Shire will deliver over the next ten (10) years to support the community.

The Strategic Community Plan was developed using feedback received by the community, staff and councillors of the Shire of Wickepin.

It has a key place in the Shire's delivery and management of services and infrastructure, and it is important to our community because it -

- Provides short-term and medium-term strategies with a long-term vision in mind
- Includes core drivers to use as a decision making criteria in the future – developed by council
- Identifies our strengths, the risks and opportunities for council
- Identifies who the plan is for (community – electors, ratepayers, permanent residents and temporary visitors) and who the Shire needs to work with to achieve its goals
- Provides points of measurement which can be linked to council and staff key performance indicators

Major initiatives or actions that were either fully or substantially completed in 2022/23 include:

Infrastructure

Goal 1 – Roads are a key economic driver across the Shire

- | | |
|---------------------------|---|
| • Wickepin Pingelly Road | Culvert replacement, re-seal road 1.2 km |
| • Rabbit Proof Fence Road | Full construction 5.0 km |
| • Stock Route Road | Road widening 3.0 km |
| • Yarling Brook Road | Gravel re-sheeting 5.0 km |
| • Yarling Brook Bridge | Remove old bridge and replace with culverts |
| • Yealering Pingelly Road | Culvert upgrade |
| • Malyalling Road | Gravel re-sheeting 3.0 km |
| • Gillimanning Road | Cut and fill - Stage One (1) |

Goal 2 – Improve the amenities and aesthetics along our towns' main streets

- Completion of Wogolin Road Playground
- Construction of Wickepin Skate Park (in progress)

Goal 3 – Caravan Parks are of a high standard

- Reviewed management arrangements (via Oasis Hotel) of Harrismith Caravan Park.

Goal 4 – Maintain Shire facilities in a strategic manner to meet community needs

- Carry out annual building and maintenance inspections, including pest control
- Continued construction of the independent living units on Johnston Street, Wickepin

Economy

Goal 5 – An agricultural hub that innovates and leverages opportunities

- Continued management of the saleyards including identifying opportunities for improvements to infrastructure and facilities (ie walkways)

Goal 6 – New businesses are attracted and existing businesses grow

- Nil

Goal 7 – Reliable access to telecommunication services for residents and visitors

- Nil

Goal 8 – Tourism opportunities create value to our communities

- Development of Skate Park and playground in Wickepin will increase the potential for visitors to break their journey and stop in town
- Develop a new public ablution block in Harrismith

Community

Goal 9 – Communities are engaged, have a healthy lifestyle and are safe

- Annual mosquito fogging program
- Sponsorship towards Community Sporting Groups

Governance

Goal 10 – Our organisation is well positioned and has capacity for the future

- Identify and encourage Councillor and staff training needs

Goal 11 – Proactive about collaboration and forward planning future success

- A community survey and three community workshops were held in March and April 2023 with the findings to be used for a major review of the Strategic Community Plan in 2024.

Goal 12 – Communities are informed via multiple channels at regular intervals

- Shire social media platforms (Facebook, Instagram)
- Continue developing the Shire of Wickepin webpage
- Newsletter in the fortnightly Watershed

The following initiatives are proposed for 2023-2024:

Infrastructure

Goal 1 – Roads are a key economic driver across the Shire

- | | |
|--------------------------|-----------------------|
| • Wickepin Pingelly Road | Road Widening 0.95 km |
| • Wickepin Corrigin Road | Road Widening 2.6 km |
| • Cuballing East Road | Road widening 4.5 km |
| • Yarling Brook Road | Road Widening 0.5 km |

Goal 2 – Improve the amenities and aesthetics along our towns' main streets

- Complete Wickepin Skate Park upgrade

Goal 3 – Caravan Parks are of a high standard

- Renew facilities at Harrismith Caravan Park
- Prepare a concept plan showing future upgrade/development of Yealering Caravan Park

Goal 4 – Maintain Shire facilities in a strategic manner to meet community needs

- Renovate the Yealering Foreshore Ablution Block
- Completion of the independent living units on Johnston Street, Wickepin
- Replace electric front door at Shire administration office
- Extend carport at Shire administration office
- Infrastructure improvements (pumps, pump shed) at swimming pool
- Various repairs/improvements to Shire housing
- Re-roof the Wickepin Playgroup building
- New honour board at Wickepin War Memorial

Economy

Goal 5 – An agricultural hub that innovates and leverages opportunities

- Continued management of the saleyards including identifying opportunities for improvements to infrastructure and facilities

Goal 6 – New businesses are attracted and existing businesses grow

- Nil

Goal 7 – Reliable access to telecommunication services for residents and visitors

- Nil

Goal 8 – Tourism opportunities create value to our communities

- New display cover at the Toolseum

Community

Goal 9 – Communities are engaged, have a healthy lifestyle and are safe

- Upgrade to townsite CCTV
- Sponsorship towards Community Sporting Groups

Governance

Goal 10 – Our organisation is well positioned and has capacity for the future

- Identify and encourage Councillor and staff training needs

Goal 11 – Proactive about collaboration and forward planning future success

- Major review of Integrated Planning documentation

Goal 12 – Communities are informed via multiple channels at regular intervals

- Shire social media platforms (Facebook, Instagram)
- Continue developing the Shire of Wickepin webpage
- Newsletter in the fortnightly Watershed



Statutory Reporting

Prescribed Information on Payments Made to Employees

Section 5.53(g) of the Local Government Act requires disclosure of information as prescribed in relation to payments made to employees. Specifically Regulation 19B of the Local Government (Administration) Regulations 1996 requires the following information to be included in the Annual Report:

- (a) The number of employees of the local government entitled to an annual salary of \$130,000 or more;
- (b) The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

In 2022/23 only one employee of the Shire of Wickepin was entitled to an annual salary of \$130,000 or more with the applicable bands for that employee being a salary within the range of \$150,000 to \$160,000.

Regulation 19B of the Local Government (Administration) Regulations 1996 also requires publication in the Annual Report of the remuneration paid or provided to the CEO during the financial year. For the 2022/23 financial year the remuneration package provided to the CEO of the Shire of Wickepin was \$196,719:

For the 2022/23 year, there were no other payments made to employees for which prescribed information is required to be disclosed.

Disability Access Inclusion Plan

The Disability Services Act 1993 requires local governments to report annually on their Disability Service Plan achievements.

The achievements for the year ended 30 June 2023 are listed below –

Outcome1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Wickepin.

- Organisers of various events were consulted and monitored to ensure equitable access and inclusion. Debriefing sessions were held between the Shire and organisers to discuss and/or advise any areas that required improvement of access and inclusiveness, for future or similar events where necessary.

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities by the Shire of Wickepin.

- Maintained new paths at Yealering foreshore at the hall
- Completed the pram ramps in Yealering
- The new playground has disability access

Outcome 3: People with disabilities receive information from a public authority in a format which will enable them to access the information, as readily as other people are able to access it.

- Council and Shire information is available (on request) in suitable electronic form to assist visually and hearing impaired persons. Information available in physical form will also be available in another format (on request) to assist persons to easily understand information published.

Outcome 4: People with disabilities receive the same level and quality of services from the staff of the Shire of Wickepin as other people receive from the staff of the Shire.

- Maintain the existing and future confidence and professionalism of staff to work together with persons with a disability. This is maintained through the Shire's induction process and making available opportunities in training (on request).

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the Shire of Wickepin.

- Customer service staff receive training in customer service, including responding to complaints. Mediums to lodge complaints, suitable for persons with a disability, can be available on request.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Wickepin.

- Public consultation is facilitated in suitable buildings to permit inclusion of persons with mobility disabilities. Suitable technology can be made available (on request) to assist persons with disability participate in public consultation.

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

- Job interviews are held in accessible venues as required after consulting with the applicant. When required, investigate employment opportunities of persons with disability through the Narrogin Disability Employment office.

Report on Complaints Made Against Councillors

In accordance with Section 5.53 of the Local Government Act and the associated Local Government (Rules of Conduct) Regulations 2007, a summary of complaints made during the year is to be included in the Annual Report.

No complaints (breaches) were made during 2022/2023.

Local Government Standards Panel Costs

The Shire of Wickepin did not pay any Standards Panel costs for hearing a complaint regarding a councillor nor did the Standards Panel order any funds be reimbursed to the Shire by a councillor.

Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an information statement which details the process for applying for information under the Act, as well as information the Shire provides outside the Act.

This document is available from the Shire's administration office or the website.

The Act requires all applications are responded to within 45 days.

During 2022-2023 the Shire received zero (0) Freedom of Information applications, and zero (0) referrals for third party consultation.

Public Interest Disclosures

The Shire of Wickepin is committed to the aims and objectives of the Public Interest Disclosure Act 2003. The Shire recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff regarding corrupt or other improper conduct.

The Shire of Wickepin takes all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for the making of a disclosure.

The Shire of Wickepin does not tolerate any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures.

These acts should be reported immediately to the Public Interest Disclosure Officer.

The Shire of Wickepin is required, under the Public Interest Disclosure Act 2003 to report on the extent to which the Chief Executive Officer has complied with the obligations of the Act.

The Chief Executive Office has been appointed as the Shire's Public Interest Disclosure Officer.

No Public Interest Disclosures were received by the Shire of Wickepin during 2022-2023.

Records Management

The Shire of Wickepin uses a hybrid hard copy and electronic records management system.

All records created and received in the course of business are captured and stored according to the Shire's Record Keeping Plan.

As required under the State Records Act 2000 the Shire of Wickepin Record Keeping Plan has been revised, submitted to, and approved by the State Records Office in December 2016.

All records are disposed of in accordance with the General Disposal Authority for Local Government Records.

The Disposal Authority defines the minimum periods of time different classes of records must be kept (retention periods) and provides guidelines for destruction of records after they have met the retention requirements of the schedule.

The Administration Officer annually recommends disposal of records in accordance with the State Records Act 2000 guidelines.

Standard 2, Principle 6 requires council to ensure employees comply with the Record Keeping Plan.

The following activities have been undertaken to ensure staff awareness and compliance –

- New employees who commence with the Shire of Wickepin complete basic records registration in-house training as part of their induction.
- Staff information sessions were held as required.

Competitive Neutrality

Shire officers has reviewed all areas of operations to determine the existence, or otherwise, of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 per annum, which is not a regulatory service (community service obligation) and which is not already contracted out.

Accordingly, it has been determined the Shire has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 Statement.

Strategic Community Plan

There were no significant modifications made to the Strategic Community Plan during the 2022-2023 financial year.

Corporate Business Plan

There were no significant modifications made to the Corporate Business Plan during the 2022-2023 financial year.

Councillor Sitting Fees or Allowances

For the 2022/23 year the following councillor sitting fees or allowances were paid:

- Council Meeting Sitting Fee - \$130 per meeting
- Committee Meeting Sitting Fee - \$65 per meeting
- Annual President's Allowance - \$4,500
- Annual Deputy President's Allowance - \$1,000
- Annual Information and Communications Technology Allowance - \$525

Councillor Gender Statistics

In 2022/23 the gender balance of councillors was 5 male and 2 female.

Council Member Attendance

Councillor Name	No. of Ordinary Council Meetings Held	No. of Ordinary Council Meetings Attended	No. of Special Council Meetings Held	No. of Special Council Meetings Attended	No. of Elector Meetings Held	No. of Elector Meetings Attended
Cr J Russell	11	11	2	2	1	1
Cr W Astbury	11	11	2	0	1	0
Cr F Allan	11	10	2	2	1	1
Cr L Corke	11	11	2	2	1	1
Cr J Mearns	11	10	2	2	1	1
Cr T Miller	11	11	2	1	1	1
Cr P Thompson	11	8	2	1	1	1

Financial Report and Auditor's Statement

SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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The Shire of Wickepin conducts the operations of a local government with the following community vision:

A collaborative Council, dedicated to maintaining and developing our community assets for the benefit of our residents whilst supporting a strong community, vibrant economy, successful businesses and sound environment.

Principal place of business:
77 Wogolin Road, Wickepin, WA, 6370

**SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the Shire of Wickepin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 7th day of December 2023



Acting Chief Executive Officer

Tim Clynch

Name of Acting Chief Executive Officer



SHIRE OF WICKEPIN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),21	1,471,690	1,483,634	1,407,108
Grants, subsidies and contributions	2(a)	3,177,786	1,225,452	2,315,516
Fees and charges	2(a)	620,474	484,626	493,085
Interest revenue	2(a)	105,939	6,800	13,692
Other revenue	2(a)	8,381	0	20,843
		5,384,270	3,200,512	4,250,244
Expenses				
Employee costs	2(b)	(1,495,969)	(1,379,607)	(1,283,308)
Materials and contracts		(847,719)	(1,382,862)	(970,726)
Utility charges		(217,432)	(187,250)	(217,203)
Depreciation		(4,793,812)	(4,727,594)	(4,776,663)
Finance costs	2(b)	(4,973)	(3,387)	(5,537)
Insurance		(238,630)	(227,952)	(213,531)
Other expenditure	2(b)	(31,656)	(20,000)	(45,724)
		(7,630,191)	(7,928,652)	(7,512,692)
		(2,245,921)	(4,728,140)	(3,262,448)
Capital grants, subsidies and contributions	2(a)	1,834,382	3,079,760	2,095,440
Profit on asset disposals		8,088	0	72,178
Loss on asset disposals		(6,993)	(5,195)	(7,490)
		1,835,477	3,074,565	2,160,128
Net result for the period	22(b)	(410,443)	(1,653,575)	(1,102,320)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	1,760,043
Total other comprehensive income for the period	13	0	0	1,760,043
Total comprehensive income for the period		(410,443)	(1,653,575)	657,723

This statement is to be read in conjunction with the accompanying notes.



**SHIRE OF WICKEPIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	6,019,288	5,928,684
Trade and other receivables	5	335,589	211,246
Other financial assets	4(a)	0	7,124
TOTAL CURRENT ASSETS		6,354,877	6,147,054
NON-CURRENT ASSETS			
Other financial assets	4(b)	61,117	58,353
Property, plant and equipment	6	19,960,809	19,394,181
Infrastructure	7	92,213,435	94,001,764
TOTAL NON-CURRENT ASSETS		112,235,361	113,454,298
TOTAL ASSETS		118,590,238	119,601,352
CURRENT LIABILITIES			
Trade and other payables	9	522,767	314,990
Other liabilities	10	493,592	1,195,963
Borrowings	11	40,031	46,784
Employee related provisions	12	199,000	263,757
TOTAL CURRENT LIABILITIES		1,255,390	1,821,494
NON-CURRENT LIABILITIES			
Borrowings	11	269,509	309,540
Employee related provisions	12	16,930	11,468
TOTAL NON-CURRENT LIABILITIES		286,439	321,008
TOTAL LIABILITIES		1,541,829	2,142,502
NET ASSETS		117,048,407	117,458,850
EQUITY			
Retained surplus		2,727,492	2,952,770
Reserve accounts	24	2,850,295	3,035,459
Revaluation surplus	13	111,470,620	111,470,620
TOTAL EQUITY		117,048,407	117,458,849

This statement is to be read in conjunction with the accompanying notes.



**SHIRE OF WICKEPIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		4,266,145	2,824,406	109,710,577	116,801,127
Comprehensive income for the period					
Net result for the period		(1,102,320)	0	0	(1,102,320)
Other comprehensive income for the period	13	0	0	1,760,043	1,760,043
Total comprehensive income for the period		(1,102,320)	0	1,760,043	657,723
Transfers from reserve accounts	24	264,236	(264,236)	0	0
Transfers to reserve accounts	24	(475,291)	475,291	0	0
Balance as at 30 June 2022		2,952,770	3,035,461	111,470,620	117,458,850
Comprehensive income for the period					
Net result for the period		(410,443)	0	0	(410,443)
Total comprehensive income for the period		(410,443)	0	0	(410,443)
Transfers from reserve accounts	24	546,248	(546,248)	0	0
Transfers to reserve accounts	24	(361,082)	361,082	0	0
Balance as at 30 June 2023		2,727,492	2,850,295	111,470,620	117,048,407

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF WICKEPIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,472,519	1,411,966
Grants, subsidies and contributions		2,355,101	2,555,815
Fees and charges		620,474	493,085
Interest revenue		105,939	13,692
Goods and services tax received		1,924	41,640
Other revenue		8,381	20,843
		4,564,338	4,537,041
Payments			
Employee costs		(1,567,914)	(1,234,680)
Materials and contracts		(634,074)	(947,534)
Utility charges		(217,432)	(217,203)
Finance costs		(4,973)	(5,537)
Insurance paid		(238,630)	(213,531)
Other expenditure		(31,656)	(45,724)
		(2,694,679)	(2,664,209)
Net cash provided by (used in) operating activities	14(b)	1,869,659	1,872,832
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	6(a)	(1,486,513)	(1,394,285)
Payments for construction of infrastructure	7(a)	(2,293,967)	(2,512,506)
Capital grants, subsidies and contributions		1,834,382	2,095,440
Proceeds for financial assets at amortised cost		0	(2,998)
Proceeds from financial assets at amortised cost - self supporting loans		7,124	6,848
Proceeds from financial assets at fair values through profit and loss		(2,764)	0
Proceeds from sale of property, plant & equipment		209,467	378,800
Net cash provided by (used in) investing activities		(1,732,271)	(1,428,701)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	23(a)	(46,784)	(46,139)
Net cash provided by (used In) financing activities		(46,784)	(46,139)
Net increase (decrease) in cash held		90,604	397,992
Cash at beginning of year		5,928,684	5,530,692
Cash and cash equivalents at the end of the year	3	6,019,288	5,928,684

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF WICKEPIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
Rates	21	1,471,690	1,483,634	1,407,108
Grants, subsidies and contributions		3,177,786	1,225,452	2,315,516
Fees and charges		620,474	484,626	493,085
Interest revenue		105,939	6,800	13,692
Other revenue		8,381	0	20,843
Profit on asset disposals		8,088	0	72,178
		<u>5,392,358</u>	<u>3,200,512</u>	<u>4,322,422</u>
Expenditure from operating activities				
Employee costs		(1,495,969)	(1,379,607)	(1,283,308)
Materials and contracts		(847,719)	(1,382,862)	(970,726)
Utility charges		(217,432)	(187,250)	(217,203)
Depreciation		(4,793,812)	(4,727,594)	(4,776,663)
Finance costs		(4,973)	(3,387)	(5,537)
Insurance		(238,630)	(227,952)	(213,531)
Other expenditure		(31,656)	(20,000)	(45,724)
Loss on asset disposals		(6,993)	(5,195)	(7,490)
		<u>(7,637,184)</u>	<u>(7,933,847)</u>	<u>(7,520,182)</u>
Non-cash amounts excluded from operating activities	22(a)	4,795,415	4,702,881	4,706,566
Amount attributable to operating activities		<u>2,550,589</u>	<u>(30,454)</u>	<u>1,508,806</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,834,382	3,079,760	2,095,440
Proceeds from disposal of assets		209,467	196,000	378,800
Proceeds from financial assets at amortised cost - self supporting loans	23(a)	7,124	7,124	6,848
		<u>2,050,973</u>	<u>3,282,884</u>	<u>2,481,088</u>
Outflows from investing activities				
Purchase of property, plant and equipment	6(a)	(1,486,513)	(1,561,979)	(1,394,285)
Purchase and construction of infrastructure	7(a)	(2,293,967)	(3,118,551)	(2,512,506)
		<u>(3,780,480)</u>	<u>(4,680,530)</u>	<u>(3,906,791)</u>
Amount attributable to investing activities		<u>(1,729,507)</u>	<u>(1,397,646)</u>	<u>(1,425,703)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	24	546,248	346,248	264,236
		<u>546,248</u>	<u>346,248</u>	<u>264,236</u>
Outflows from financing activities				
Repayment of borrowings	23(a)	(46,784)	(46,785)	(46,139)
Transfers to reserve accounts	24	(361,082)	(282,500)	(475,291)
		<u>(407,866)</u>	<u>(329,285)</u>	<u>(521,430)</u>
Amount attributable to financing activities		<u>138,382</u>	<u>16,963</u>	<u>(257,194)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	22(b)	1,429,143	1,411,055	1,603,232
Amount attributable to operating activities		2,550,589	(30,454)	1,508,806
Amount attributable to investing activities		(1,729,507)	(1,397,646)	(1,425,703)
Amount attributable to financing activities		138,382	16,963	(257,194)
Surplus or deficit after imposition of general rates	22(b)	<u>2,388,606</u>	<u>(82)</u>	<u>1,429,141</u>

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF WICKEPIN
FOR THE YEAR ENDED 30 JUNE 2023
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**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

The financial report of Shire of Wickepin which is a class 4 Local Government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied, except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 of the financial report.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,457,981	13,709	1,471,690
Grants, subsidies and contributions	0	0	0	3,177,786	3,177,786
Fees and charges	0	0	0	620,474	620,474
Interest revenue	0	0	0	105,939	105,939
Other revenue	0	0	0	8,381	8,381
Capital grants, subsidies and contributions	0	1,834,382	0	0	1,834,382
Total	0	1,834,382	1,457,981	3,926,289	7,218,652

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,407,108	0	1,407,108
Grants, subsidies and contributions	0	0	0	2,315,516	2,315,516
Fees and charges	0	0	0	493,085	493,085
Interest revenue	0	0	3,880	10,082	13,962
Other revenue	0	0	0	20,843	20,843
Capital grants, subsidies and contributions	0	0	0	2,095,440	2,095,440
Total	0	0	1,410,988	4,934,966	6,345,954

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	214	491
Interest on reserve account funds	51,172	8,293
Trade and other receivables overdue interest	3,842	3,880
Other interest revenue	50,711	1,028
	105,939	13,692
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$3500		

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	20,000	17,000
- Other services – grant acquittals	1,500	3,500
	21,500	20,500

Employee Costs

Employee benefit costs	1,306,392	1,106,809
Other employee costs	189,577	176,499
	1,495,969	1,283,308

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	4,973	5,537
	4,973	5,537

Other expenditure

Sundry expenses	31,656	45,724
	31,656	45,724

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	6,019,288	5,928,684
Total cash and cash equivalents	6,019,288	5,928,684
Held as		
- Unrestricted cash and cash equivalents	2,675,401	2,893,223
- Restricted cash and cash equivalents	3,343,887	3,035,461
	6,019,288	5,928,684

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are payable with 24 hours notice with no loss of interest

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

2023	2022
\$	\$
0	7,124
0	7,124

Other financial assets at amortised cost

Self supporting loans receivable

22(b)	0	7,124
	0	7,124

Held as

- Unrestricted other financial assets at amortised cost

0	7,124
0	7,124

(b) Non-current assets

Financial assets at fair value through profit or loss

61,117	58,353
61,117	58,353

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

58,353	55,355
2,764	2,998
61,117	58,353

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 23(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 20 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables
Trade receivables
GST receivable

Note	2023	2022
	\$	\$
	39,524	33,571
	251,825	131,511
	44,240	46,164
	335,589	211,246

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

6. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021	1,279,000	2,152,458	11,283,739	14,715,197	61,486	2,497,431	0	17,274,114
Additions	0	394,430	121,288	515,718	22,700	855,867	0	1,394,285
Disposals	(33,000)	0	0	(33,000)	0	(281,112)	0	(314,112)
Revaluation increments / (decrements) transferred to revaluation surplus	127,000	(144,424)	1,777,468	1,760,044	0	0	0	1,760,044
Depreciation	0	(42,016)	(233,468)	(275,484)	(14,043)	(430,623)	0	(720,150)
Transfers	0	0	(762,821)	(762,821)	0	0	762,821	0
Balance at 30 June 2022	1,373,000	2,360,448	12,186,206	15,919,654	70,143	2,641,563	762,821	19,394,181
Comprises:								
Gross balance amount at 30 June 2022	1,373,000	2,361,734	12,190,106	15,924,840	157,029	4,384,287	762,821	21,228,977
Accumulated depreciation at 30 June 2022	0	(1,286)	(3,900)	(5,186)	(86,886)	(1,742,724)	0	(1,834,796)
Balance at 30 June 2022	1,373,000	2,360,448	12,186,206	15,919,654	70,143	2,641,563	762,821	19,394,181
Additions	0	0	152,308	152,308	0	251,935	1,082,270	1,486,513
Disposals	(33,000)	0	0	(33,000)	0	(199,890)	0	(232,890)
Assets classified as held for sale	0	0	0	0	0	0	0	0
Depreciation	0	(50,913)	(237,315)	(288,228)	(14,482)	(384,285)	0	(686,995)
Balance at 30 June 2023	1,340,000	2,309,535	12,101,199	15,750,734	55,661	2,309,323	1,845,091	19,960,809
Comprises:								
Gross balance amount at 30 June 2023	1,340,000	2,361,734	12,342,414	16,044,148	157,029	4,436,331	1,845,091	22,482,599
Accumulated depreciation at 30 June 2023	0	(52,199)	(241,215)	(293,414)	(101,368)	(2,127,008)	0	(2,521,790)
Balance at 30 June 2023	1,340,000	2,309,535	12,101,199	15,750,734	55,661	2,309,323	1,845,091	19,960,809

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market Approach using recent observable market data similar properties	Independent Registered Valuer	June 2022	Price per hectare
Buildings - non-specialised	Level 2	Market Approach using recent observable market data similar properties	Independent Registered Valuer	June 2022	Improvements to buildings using construction costs and current location (Level 2), residual values and remaining uselife assessments (Level 3) inputs
Buildings - specialised	Level 3	Market Approach using recent observable market data similar properties	Independent Registered Valuer	June 2022	Improvements to buildings using construction costs and current location (Level 2), residual values and remaining uselife assessments (Level 3) inputs
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>					
(ii) Cost					
Furniture and equipment		N/A	Cost	Not Applicable	Cost
Plant and equipment		N/A	Cost	Not Applicable	Cost

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

Note	Infrastructure - roads	Other infrastructure Sewerage	Other infrastructure Footpaths/Drainage	Other infrastructure, Parks, Ovals, Gardens & Other	Other infrastructure Bridges	Other infrastructure Ovals, Parks & Gardens- work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	87,217,577	757,516	908,905	4,872,015	1,789,760	0	95,545,773
Additions	1,926,063	7,388	15,000	564,055	0	0	2,512,506
Depreciation	(3,666,370)	(7,815)	(18,286)	(325,964)	(38,080)	0	(4,056,515)
Balance at 30 June 2022	85,477,270	757,089	905,619	5,110,106	1,751,680	0	94,001,764
Comprises:							
Gross balance at 30 June 2022	100,142,752	788,300	976,970	6,228,051	1,904,000	0	110,040,073
Accumulated depreciation at 30 June 2022	(14,665,482)	(31,211)	(71,351)	(1,117,945)	(152,320)	0	(16,038,309)
Balance at 30 June 2022	85,477,270	757,089	905,619	5,110,106	1,751,680	0	94,001,764
Additions	2,195,754	0	0	95,760	0	2,453	2,293,967
Depreciation	(3,666,370)	(7,883)	(18,562)	(351,401)	(38,080)	0	(4,082,296)
Balance at 30 June 2023	84,006,654	749,206	887,057	4,854,465	1,713,600	2,453	92,213,435
Comprises:							
Gross balance at 30 June 2023	102,338,506	788,300	976,970	6,323,811	1,904,000	2,453	112,334,040
Accumulated depreciation at 30 June 2023	(18,331,852)	(39,094)	(89,913)	(1,469,346)	(190,400)	0	(20,120,605)
Balance at 30 June 2023	84,006,654	749,206	887,057	4,854,465	1,713,600	2,453	92,213,435

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Sewerage	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Footpaths/Drainage	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure, Parks, Ovals, Gardens & Other	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Bridges	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Ovals, Parks & Gardens- work in progress	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF WICKEPIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023**

8. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	30-50 years
Furniture and equipment	4 - 10 years
Plant and equipment	5 -15 years
Sealed roads and streets formation	not depreciated
pavement seal	20 - 50 years
- bituminous seals	20 - 50 years
- asphalt surfaces	20 - 50 years
Gravel roads formation	not depreciated
pavement	20 - 50 years
Footpaths - slab	50 years
Sewerage	100 years
Water supply piping and drainage systems	50 years
Other infrastructure Bridges	50 Years

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value (as indicated), less any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. TRADE AND OTHER PAYABLES

Current

	2023	2022
	\$	\$
Sundry creditors	109,494	636
Prepaid rates	23,104	16,322
Accrued payroll liabilities	33,231	32,325
ATO liabilities	26,505	40,061
Bonds and deposits held	330,045	225,258
Accrued Interest	388	388
	522,767	314,990

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	493,592	1,195,963
	493,592	1,195,963
Reconciliation of changes in contract liabilities		
Opening balance	1,195,963	853,441
Additions	493,592	1,195,963
Revenue from contracts with customers included as a contract liability at the start of the period	(1,195,963)	(853,441)
	493,592	1,195,963

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$493,592 (2022: \$1,195,963)

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		40,031	269,509	309,540	46,784	309,540	356,324
Total secured borrowings	23(a)	40,031	269,509	309,540	46,784	309,540	356,324

Secured liabilities and assets pledged as security

The Shire of Wickepin has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 23(a).

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	104,144	117,828
Long service leave	66,996	109,003
	<u>171,140</u>	<u>226,831</u>
Employee related other provisions		
Employment on-costs	27,860	36,926
	<u>27,860</u>	<u>36,926</u>
Total current employee related provisions	<u>199,000</u>	<u>263,757</u>
Non-current provisions		
Long service leave	14,635	9,863
	<u>14,635</u>	<u>9,863</u>
Employee related other provisions		
Employment on-costs	2,295	1,605
	<u>2,295</u>	<u>1,605</u>
Total non-current employee related provisions	<u>16,930</u>	<u>11,468</u>
Total employee related provisions	<u>215,930</u>	<u>275,225</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	1,065,591	1,065,591	938,591	127,000	1,065,591
Revaluation surplus - Buildings - non-specialised	621,474	621,474	765,898	(144,424)	621,474
Revaluation surplus - Buildings - specialised	14,378,817	14,378,817	12,601,350	1,777,467	14,378,817
Revaluation surplus - Furniture and equipment	45,766	45,766	45,766	0	45,766
Revaluation surplus - Plant and equipment	591,386	591,386	591,386	0	591,386
Revaluation surplus - Infrastructure - roads	90,802,972	90,802,972	90,802,972	0	90,802,972
Revaluation surplus - Other infrastructure Sewerage	435,213	435,213	435,213	0	435,213
Revaluation surplus - Other infrastructure Footpaths/Drainage	471,686	471,686	471,686	0	471,686
Revaluation surplus - Other infrastructure, Parks, Ovals, Gardens & Other	1,153,715	1,153,715	1,153,715	0	1,153,715
Revaluation surplus - Other infrastructure Bridges	1,904,000	1,904,000	1,904,000	0	1,904,000
	111,470,620	111,470,620	109,710,577	1,760,043	111,470,620

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

14. NOTES TO THE STATEMENT OF CASH FLOWS

a) Restrictions

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	3,343,887	4,231,424
		3,343,887	4,231,424
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	24	2,850,295	3,035,461
Contract liabilities	10	493,592	1,195,963
Total restricted financial assets		3,343,887	4,231,424
b) Undrawn Borrowing Facilities And Credit			
Standby Arrangements			
Credit card limit		5,000	5,000
Credit card balance at balance date			
Total amount of credit unused		5,000	5,000
Loan facilities			
Loan facilities - current		40,031	46,784
Loan facilities - non-current		269,509	309,540
Total facilities in use at balance date		309,540	356,324
Unused loan facilities at balance date		Nil	Nil

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

15. CONTINGENT LIABILITIES

The Shire has no contingent Liabilities. (2022 -Nil)

16. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	493,592	1,195,963
	493,592	1,195,963
Payable:		
- not later than one year	493,592	1,195,963

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

17. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2023 Actual	2022 Actual
	\$	\$
President's annual allowance	4,500	4,500
	4,500	4,500
Deputy President's annual allowance	1,000	1,000
	1,000	1,000
Meeting attendance fees	15,970	13,650
Annual allowance for ICT expenses	3,680	3,945
Travel and accommodation expenses	4,705	3,988
	24,355	21,583
17(b)	29,855	27,083

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	438,499	374,684
Post-employment benefits	63,708	57,815
Employee - other long-term benefits	16,988	46,140
Council member costs	29,855	27,083
17(a)	549,050	505,722

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	240	360
Purchase of goods and services	0	6,516
Amounts outstanding from related parties:		
Loans to associated entities	0	7,124

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 17(a) and 17(b)

ii. Other Related Parties

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The contract involved roadworks in the Shire, and amounted to \$0 in the current year (\$0 in the prior year).

Sale of goods and services related to employee related benefits to key management personnel.

Purchase of goods and services related to an associate organisation to key management personnel.

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Wickepin jointly owns an Outdoor Movie Screen and Projector with the Shires of Cuballing and Pingelly. The Movie Screen and Projector are stored at the Wickepin Community Centre. The Shire of Wickepin has joint venture agreements with the Housing Authority for the provision of housing at 10 Wogolin Road - Yarlring Court (4 Units) and 17 Collins St- Duplex. The ownership of the assets are determined by the equity agreement which includes the percentage of each parties equitable interest. In terms of the agreement the Shire contributed the land and the Department contributed funds to construct. The Shire manages the property and tenancy. All rental income and expenses are recorded in the respective line items of the financial statements

Statement of Financial Position

Land & Buildings
 Less:Accumulated Depreciation
Total assets

Reserve accounts

Total equity

Statement of Comprehensive Income

Other revenue
 Other expense
Profit/(loss) for the period
Total comprehensive income for the period

Statement of Cash Flows

Other revenue
 Other expense
Net cash provided by (used in) operating activities

	2023 Actual	2022 Actual
	\$	\$
Land & Buildings	97,810	81,981
Less:Accumulated Depreciation	(1,909)	(1,782)
Total assets	95,901	80,199
Reserve accounts	0	0
Total equity	0	0
Statement of Comprehensive Income		
Other revenue	28,290	27,295
Other expense	(21,795)	(18,669)
Profit/(loss) for the period	6,495	8,626
Total comprehensive income for the period	6,495	8,626
Statement of Cash Flows		
Other revenue	28,290	27,295
Other expense	(21,795)	(18,669)
Net cash provided by (used in) operating activities	6,495	8,626

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Wickepin has no material events after the reporting period which would effect the financial report of the Shire for the year ended 30th June 2023 or which would require separate disclosure.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

20. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

21. RATING INFORMATION

(a) General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value \$	Actual Rate Revenue \$	Actual Interim Rates \$	Actual Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$	Actual Total Revenue \$
Residential	Gross rental valuation	0.07439	142	1,481,756	110,207	50	110,257	110,236	0	110,236	105,273
Rural	Unimproved valuation	0.007274	276	193,841,539	1,410,003	488	1,410,491	1,410,003	500	1,410,503	1,344,285
Total general rates			418	195,323,295	1,520,210	538	1,520,748	1,520,239	500	1,520,739	1,449,558
Minimum payment											
Minimum payment											
Residential	Gross rental valuation	525	118	514,495	61,950	0	61,950	61,950	0	61,950	59,000
Rural	Unimproved valuation	525	27	1,016,090	14,175	0	14,175	14,175	0	14,175	12,442
Total minimum payments			145	1,530,585	76,125	0	76,125	76,125	0	76,125	71,442
Total general rates and minimum payments			563	196,853,880	1,596,335	538	1,596,873	1,596,364	500	1,596,864	1,521,000
Ex-gratia Rates											
Ex-gratia rates to CBH			0	0	0	13,709	13,709	13,580	0	13,580	13,056
Total amount raised from rates (excluding general rates)			0	0	0	13,709	13,709	13,580	0	13,580	13,056
Discounts							(138,835)			(126,800)	(126,948)
Concessions							(57)			(10)	
Total Rates							1,471,690			1,483,634	1,407,108
Rate instalment interest							0			0	0
Rate overdue interest							4,056			3,500	3,880

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. DETERMINATION OF SURPLUS OR DEFICIT

	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2021/22 (30 June 2022 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(8,088)	0	(72,178)
Less: Movement in liabilities associated with restricted cash		(29,908)	
Less: Fair value adjustments to financial assets at fair value through profit or loss	(2,764)	0	(2,723)
Add: Loss on disposal of assets	6,993	5,195	7,490
Add: Depreciation	4,793,812	4,727,594	4,776,663
Non-cash movements in non-current assets and liabilities:			
Financial assets at amortised cost	0	0	0
Assets held for sale	0	0	0
Employee benefit provisions	5,462		(2,686)
Non-cash amounts excluded from operating activities	4,795,415	4,702,881	4,706,566
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	24 (2,850,296)	(2,971,713)	(3,035,461)
Less: Financial assets at amortised cost - self supporting loans	4(a) 0	0	(7,124)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	11 40,031	40,031	46,784
- Employee benefit provisions	99,384	69,476	99,384
Total adjustments to net current assets	(2,710,881)	(2,862,206)	(2,896,417)
Net current assets used in the Statement of Financial Activity			
Total current assets	6,354,877	3,273,627	6,147,054
Less: Total current liabilities	(1,255,390)	(411,503)	(1,821,494)
Less: Total adjustments to net current assets	(2,710,881)	(2,862,206)	(2,896,417)
Surplus or deficit after imposition of general rates	2,388,606	(82)	1,429,143

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

23. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Staff Housing		\$ 388,491	\$ 0	\$ (39,291)	\$ 349,200	\$ 0	\$ (39,660)	\$ 309,540	\$ 349,200	\$ 0	\$ (39,660)	\$ 309,540
Total		388,491	0	(39,291)	349,200	0	(39,660)	309,540	349,200	0	(39,660)	309,540
Self Supporting Loans												
WDSC Bowling Greens		13,972	0	(6,848)	7,124	0	(7,124)	0	7,124	0	(7,124)	0
Total Self Supporting Loans		13,972	0	(6,848)	7,124	0	(7,124)	0	7,124	0	(7,124)	0
Total Borrowings	11	402,463	0	(46,139)	356,324	0	(46,784)	309,540	356,324	0	(46,784)	309,540

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Staff Housing		103	WATC	0.91%	2/12/2030	\$ (4,759)	\$ (3,173)	\$ (5,046)
Total						(4,759)	(3,173)	(5,046)
Self Supporting Loans Finance Cost Payments								
WDSC Bowling Greens		102	WATC	4.00%	17/01/2023	(214)	(214)	(491)
Total Self Supporting Loans Finance Cost Payments						(214)	(214)	(491)
Total Finance Cost Payments						(4,973)	(3,387)	(5,537)

* WA Treasury Corporation

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

24. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave Reserve	99,394	1,676	(30,000)	71,070	99,394	82	(30,000)	69,476	99,103	291	0	99,394
(b) Plant Replacement Reserve	334,273	285,635	0	619,908	334,273	280,275	0	614,548	498,505	1,462	(165,694)	334,273
(c) Building Reserve	454,045	7,654	(228,892)	232,807	454,045	375	(28,892)	425,528	499,120	1,467	(46,542)	454,045
(d) Fire Fighting Reserve	22,684	382	0	23,066	22,684	19	0	22,703	22,618	66	0	22,684
(e) Cottage Homes Reserve	62,115	1,047	0	63,162	62,115	51	0	62,166	61,933	182	0	62,115
(f) Special Events Reserve	14,925	252	0	15,177	14,925	12	0	14,937	14,881	44	0	14,925
(g) Computer Reserve	51,559	869	0	52,428	51,559	42	0	51,601	41,437	10,122	0	51,559
(h) Young Singles Accommodation Reserve	100,997	1,703	0	102,700	100,998	83	0	101,081	95,716	5,281	0	100,997
(i) Saleyards Reserve	129,816	2,188	(66,000)	66,004	129,816	107	(66,000)	63,923	44,685	85,131	0	129,816
(j) Sewerage Reserve	297,975	5,023	0	302,998	297,975	246	0	298,221	297,103	872	0	297,975
(k) Refuse Reserve	124,322	2,096	0	126,418	124,322	102	0	124,424	123,958	364	0	124,322
(l) Land Development Reserve	206,006	33,383	0	239,389	206,006	170	0	206,176	118,658	87,348	0	206,006
(m) Aged Persons Accommodation Reserve	221,357	3,732	(221,356)	3,733	221,357	182	(221,356)	183	272,557	800	(52,000)	221,357
(n) Swimming Pool Reserve	227,404	3,834	0	231,238	227,404	187	0	227,591	201,811	25,593	0	227,404
(o) Albert Facey Homestead Reserve	9,976	168	0	10,144	9,976	8	0	9,984	9,947	29	0	9,976
(p) Fuel Facility	159,387	2,687	0	162,074	159,387	131	0	159,518	133,994	25,393	0	159,387
(q) Caravan Park & Accommodation Reserve	318,639	5,372	0	324,011	318,639	263	0	318,902	88,380	230,259	0	318,639
(r) WANDRA events & Emergency Repairs Reserve	200,587	3,381	0	203,968	200,587	164	0	200,751	200,000	587	0	200,587
	3,035,461	361,082	(546,248)	2,850,295	3,035,462	282,499	(346,248)	2,971,713	2,824,406	475,291	(264,236)	3,035,461
	3,035,461	361,082	(546,248)	2,850,295	3,035,462	282,499	(346,248)	2,971,713	2,824,406	475,291	(264,236)	3,035,461

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. RESERVE ACCOUNTS (continued)

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave Reserve	to be used to fund annual and long service leave requirements
(b) Plant Replacement Reserve	to be used for the purpose of road plant, machinery and equipment
(c) Building Reserve	to be used for the construction of new buildings, predominantly staff housing
(d) Fire Fighting Reserve	to be used to fund the provision of bushfire equipment for brigades
(e) Cottage Homes Reserve	to be used for the future maintenance and construction of Cottage Homes units
(f) Special Events Reserve	to be used to fund special events and celebrations
(g) Computer Reserve	purchase, upgrade or replacement of hardware as necessary
(h) Young Singles Accommodation Reserve	additional income over expenditure held for future repairs or improvements
(i) Saleyards Reserve	additional income over expenditure held for future repairs or improvements
(j) Sewerage Reserve	additional income over expenditure held for future repairs or improvements
(k) Refuse Reserve	to be used for the construction and future maintenance requirements for Aged Person Accommodation units
(l) Land Development Reserve	to be used to fund major repairs or improvements at the Wickepin Swimming Pool
(m) Aged Persons Accommodation Reserve	to be used for the refurbishment and future maintenance requirement of the Albert Facey Homestead
(n) Swimming Pool Reserve	to be used for future maintenance and upgrade of Wickepin Fuel Facility
(o) Albert Facey Homestead Reserve	income received from the sale of the English House held for future development of the English Land
(p) Fuel Facility	additional income over expenditure held for the future creation or maintenance of the refuse site
(q) Caravan Park & Accommodation Reserve WANDRA events & Emergency Repairs	to be used for the upgrade of caravan parks and accommodation units in the Wickepin Shire
(r) Reserve	to be used in the event of emergency road repairs

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

25. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
WDSC Replacement Greens	150,150	17,397	0	167,547
Yealering Replacement Greens	71,889	1,008	0	72,897
Miscellaneous	2,379	0	0	2,379
	224,418	18,405	0	242,823



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Wickiepin

To the Council of the Shire of Wickiepin

Opinion

I have audited the financial report of the Shire of Wickiepin (Shire) which comprises:

- the Statement of Comprehensive Income, Statement of Financial Position as at 30 June 2023, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position as at the end of that period
- in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for qualified opinion

Infrastructure reported at the carrying value of \$92,213,435 in Note 7(a) of the financial report as at 30 June 2023 has not been revalued with sufficient regularity as required by Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 since 2017-18. Consequently, I was unable to determine the extent to which the carrying amount of Infrastructure is misstated, as it was impracticable to do so. Additionally, I am unable to determine whether there may be any consequential impact on the revaluation surplus as at 30 June 2023.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Wickepin for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 December 2023